

His reform attempts directed towards adopting free market policies and foreign borrowing, as foreign debt rose from 150 to 250 billion dollars during his presidency, and this inflation in debt led to a crisis of mistrust in the Brazilian economy, whether from international donors or local and foreign investors. The maintenance of large current account deficits via capital account surpluses became problematic as investors became more risk averse to emerging market exposure as a consequence of the Asian financial crisis in 1997 and the Russian bond default in August 1998. Thus, his attempts deviated to more burdens on future generations and did not achieve progress in production, but Only progress in the financial sector, an increase in debt, a greater complication of the crisis of confidence, and of course the continuation of the deteriorating economic conditions of the poor classes..